DETAILED ACTION

Continued Examination Under 37 CFR 1.114

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on February 16, 2010 has been entered.

Applicant Admitted Prior Art

2.   MPEP 2104 C 2nd paragraph - AAPA - Applic. Admission due to lack of or inadequate Traversal of Official Notice.

If applicant does not traverse the examiner's assertion of official notice or applicant's traverse is not adequate, the examiner should clearly indicate in the next Office action that the common knowledge or well-known in the art statement is taken to be admitted prior art because applicant either failed to traverse the examiner's assertion of official notice or that the traverse was inadequate. If the traverse was inadequate, the examiner should include an explanation as to why it was inadequate.

The Official Notice in the Office Action mailed November 14, 2008 was not properly traversed by Applicant and thus has become Applicant Admitted Art (AAPA) as follows:

Claim 15: "an integer program expressed as "Max Summation (i,p) of v(i,p) x(i,p)" where v.(I,p) denotes a monetary value of a bid that bidder p has placed for item i, and, x(i,p) denotes a decision variable having a value of 0 when said bid is not in a winning combination, and 1 when said bid is a winning combination.".

The following limitation in Claim 20: "an integer program expressed by the following: "Max Summation (i,p) of v(i,p) x(i,p)" where v.(I,p) denotes a monetary value of a bid that bidder p has placed for item i, and, x(i,p) denotes a decision variable having a value of 0 when said bid is not in a winning combination, and 1 when said bid is a winning combination.".

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

3.   **Claims 1, 2, 6, 7, 12, 13, 22 and 24 are rejected** under 35 U.S.C. 103(a) as

being unpatentable over Ausubel (US Patent 5,905,975) in view of Wellman (US Patent

6,952,682 B1) and Hambrecht et al. (US Patent 6,629,082 B1, hereafter Hambrecht).

Re. Claims 1 & 13, Ausubel discloses a computer implemented method and computer

executable medium for an auction comprising:

- establishing an auction system (Abstract, ll. 1-2; Col. 1, ll. 61-65) which is accessible via a network (network – Col. 7, ll. 60-65), and performs an auction for a plurality of items including a first item and a second item which is different that the first item (Col. 2, ll. 44-47);

- generating by using a processor, a user interface for entering a plurality of bids in said auction, (processor – Col. 6, l. 21-CPU; Col. 8, ll. 19-20; user interface – Col. 6, l. 27; Col. 7, l. 66 – Col. 8, l. 19; plurality of bids – Col. 2, ll. 44-47);

- generating by using a processor, a user interface for entering a plurality of bids bid in said auction, said user interface displaying an area for entering a first bid for said item and a second bid for said second item, a plurality of areas for entering a plurality of conditions, said plurality of areas comprising an area for entering a condition associated with said first item and a condition associated with said second item, an area for entering a condition associated with a set of items including said first item and said second item, and an area for editing said plurality of conditions (processor – Col. 6, l. 21-CPU; Col. 8, ll. 19-20; user interface – Col. 6, l. 27; Col. 7, l. 66 – Col. 8, l. 19; plurality of bids – Col. 2, ll. 44-47; plurality of dissimilar items – Fig. 7, 707. The areas for entering conditions are implicit and obvious in Ausubel – e.g. conditions include price and quantity,

and potentially contingent bid factors, each of which are taught by Ausubel – Col. 2. ll. 30-50; editing conditions – Col. 2, ll. 10-29; Col. 3, ll. 63-65) (Non-functional descriptive material: "said user interface displaying an area for entering a bid for said item and said other item, an area for entering a condition associated with a set of items including said item and said other item, and an area for editing said condition".);

- receiving a plurality of bids including a bid for said first item, a bid for said second item, and a plurality of conditions including a condition associated with said first item, a condition associated with said second item, and a condition associated with said set of items which are entered by a bidder by using said user interface (Col. 2, ll. 39-50; Col. 29, ll. 4-14 – a bid implicitly includes at least one condition on winning an item, such as a price and the number of units at a minimum; the entry by the bidder using the interface is disclosed or suggested by Ausubel and would have been obvious to the ordinary practitioner);

- generating a plurality of proposals for said bidder, a proposal in said plurality of proposals comprising a set of bids in said received plurality of bids that satisfies said received plurality of conditions (Fig. 8 – Price and units confirmation. The ordinary practitioner would have seen it as obvious that confirmation of a bidder's conditions is a proposal to meet the bidder's conditions, which would at a minimum include price and number of units, and perhaps other conditions such as delivery terms, quality standards, etc.);

- displaying on said user interface a table for indicating that said bid is one of a selected bid and an unselected bid during a course of said auction (col. 12, ll. 7-19 – Ausubel discloses a bid table – col. 16, ll. 56-57; Ausubel displays to the bidding participant that he has won a bid at a specific combination of price and unit volume (a selected bid) and implicitly discloses that bids below this price were unselected (one or more unselected bids) – col. 2, ll. 64-65; col. 3, ll. 59-62. Ausubel suggests display of the selected and unselected results on one table on a user interface but does not explicitly do so. Ausubel does not explicitly disclose

disseminating auction results to all the participants during the operation of an
auction system, to buyers, sellers and to others. However, Wellman discloses
disseminating auction results to all the participants during the operation of an
auction system, to buyers, sellers and to others (Col. 13. ll. 34-41). Disseminating
in a computer automated system is the equivalent to causing to display auction
results on a user interface. Therefore, the ordinary practitioner of the art would
have seen it as obvious to consider displaying on said user interface for
indicating that said bid is one of a selected bid and an unselected bid during a
course of said auction in a bid table format);

Ausubel does not explicitly disclose a web page including a user interface for entering a
bid in said auction. However, Hambrecht discloses a web page including a user
interface for entering a bid in said auction (Col. 10, ll. 8-12).

Regarding "formulating a winner determination problem" Ausubel uses the term
"winner(s)" in his teaching (Col. 16, ll. 35-40, 57-59). Ausubel also discloses
transactions which result from the auctions taught by him. Ausubel's method uses the
generic concept embodied by the expression "formulating" as commonly understood.
His method engages in solving an integer problem, and the goal of the method is to
determine bids which satisfy the auctioneer's criteria for determining the auction's
result(s) (Col. 3, ll. 53-57). Each example in Ausubel details the integer problem
formulation steps for a particular type of auction, including the condition associated with
winning the set of items item as an integer program, and solving said integer program to
determine whether said bid is a selected bid (e.g. Example One - Col. 10, l. 36 – Col.
13. l. 5). Solving this winner determination problem includes "the plurality of proposals in
a winning solution since Ausubel teaches such proposals (see above).l An ordinary
practitioner of the art at the time of Applicant's invention would have understood that
both parties to an auction transaction are winners in the commonly understood meaning
of any transaction which results from an auction, since both parties have to be satisfied
that they are each better off by entering into the transaction versus not entering into the
transaction. This makes each one a winner in the common understanding of the matter.
On the other hand, at least one of the two parties to a transaction would not participate

in the consummation of a transaction if they thought that a proposed transaction would make them a "loser" (i.e. a non winner), which would be the case if they viewed the offered transaction to be not to their benefit as they define the benefit. Thus, no transaction would occur and thus no winner would be possible if there is no transaction. Therefore, it would have been obvious to an ordinary practitioner of the art at the time of Applicant's invention to have combined the art of Ausubel, Wellman and Hambrecht with the ordinary practitioner's understanding about the art and particularly about transactions resulting from a computer implemented method for an auction, motivated by a desire to offer and implement improved auction methods (Ausubel, Col. 1, ll. 15-16).

Re. Claim 2, Ausubel discloses a method wherein the auction system is elected from a group consisting of an open cry auction, an ascending bid auction, and a descending bid auction (Col. 1, ll. 21-22, 61-65).

Re. Claim 6, Ausubel discloses a method wherein a condition associated with a set of items is selected from the group consisting of a maximum quantity condition constraint (Col. 2, ll. 39-40; Col. 6, ll. 56-58).

Re. Claim 7, Ausubel discloses a method comprising enabling the auction system so that it is responsive to seller conditions (Ausubel's method has inherent seller conditions without which the auction could not function. These conditions which are the same as constraints are established in the auctioneer's intelligent system for providing auction information to bidders, and then for evaluating bids – Abstract.

Re. Claim 12, Ausubel discloses a network comprising the Internet (), said user interface being displayed on a web page on the Internet (Col. 7, ll. 64-65. A web page is implied by the worldwide web and would have been obvious to the ordinary practitioner of the art at the time of applicant's invention.)

Re. Claim 22, Ausubel discloses wherein said set of items comprises plural sets of items including a first set of items and a second set of items which is different from said first set of items (Col. 2, ll. 38-50).

Re. Claim 24, the ordinary practitioner would have seen it as obvious from Ausubel's disclosure that, wherein said first set of items is subject to a first condition and said

second set of items is subject to a second condition which is different from
said first condition because items which differ from each other are likely to have
different value.

4.   Claims 3, 4, 5 and 23 are rejected under 35 U.S.C. 103(a) as being
unpatentable over Ausubel in view of Wellman and Hambrecht as applied to claim 1
above, and further in view of McAfee et al. (US Patent 6,718,312 B1, hereafter McAfee).

Re. Claims 3 and 23, neither Ausubel, Wellman or Hambrecht explicitly disclose or
suggest a method wherein the condition on winning comprises a plurality of conditions
which characterize combinations of bids from the bidder for desired items within the
auction system. Ausubel teaches and/or suggests the use of constraints (= conditions)
and the combination of items (constraints) specified in their bids by bid participants in an
auction process (Col. 2, ll. 29-50). Ausubel is not explicit regarding a plurality of items in
his bidding constraints. However, McAfee discloses a method wherein the constraints
characterize combinations of bids from the participant for the desired items within the
auction system (Abstract, l. 8; Col. 1, l. 9; Col. 5, ll. 19-20: Col. 9, ll. 66-67). It would
have been obvious to an ordinary practitioner at the time of Applicant's invention to
have combined the art of Ausubel, Wellman and Hambrecht with that of McAfee in order
to be responsive to constraints that characterize combinations of items, motivated by
the desire to offer combinatorial auction methods and systems that eliminate associated
bidding problems (McAfee, Col. 9, ll. 59-63).

Re. Claim 4, neither Ausubel, Wellman or Hambrecht explicitly disclose or suggest a
method wherein a condition comprises a budget condition and wherein the method
further comprises enabling the auction system such that it is responsive to said budget
condition (=constraint). However, McAfee discloses a method which comprises enabling
the auction system so that it is responsive to a budget constraint (Col. 6, ll. 1-3, 58-62.
McAfee's method teaches a method responsive to a budget constraint). It would have
been obvious to an ordinary practitioner at the time of Applicant's invention to have
combined the art of Ausubel with that of McAfee to be responsive to budget constraints,

motivated by the desire to offer combinatorial auction methods and systems that
eliminate associated bidding problems (McAfee, Col. 9, ll. 59-63).

Re. Claim 5, neither Ausubel, Wellman or Hambrecht explicitly disclose or suggest a
method wherein the budget condition (=constraint) is specified by the bidder. However,
McAfee suggests a method wherein the budget constraint is specified by or on behalf of
the bidder, which can be either the seller or buyer/bidder, or both. McAfee suggests that
both parties are likely budget constrained (Col. 6, ll. 1-3, 58-62. McAfee's method
teaches a method responsive to a budget constraint, which in turn would have made it
obvious to an ordinary practitioner at the time of Applicant's invention to consider
various ways of including budget constraints into the auction process from both seller
and buyer/bidder points of view). Therefore, it would have been obvious to an ordinary
practitioner at the time of Applicant's invention to have combined the art of Ausubel,
Wellman and Hambrecht with that of McAfee to be responsive to budget conditions
specified by or on behalf of a bidder, motivated by the desire to offer combinatorial
auction methods and systems that eliminate associated bidding problems (McAfee, Col.
9, ll. 59-63).

5.   **Claims 8-11 are rejected** under 35 U.S.C. 103(a) as being unpatentable over
Ausubel in view of Wellman and Hambrecht as applied to claim 1 above, and further in
view of Macready et al. (US PreGrant Publication 2002/0016759, hereafter Macready).

Re. Claim 8, neither Ausubel, Wellman or Hambrecht explicitly disclose or suggest a
method wherein the seller conditions (=constraints) specify a minimum value for a
combination of items. However, Macready discloses a method wherein the seller
constraints specify a wide range of parameter possibilities (Page 6, [0077]; [0108]-ll. 1-
2; [0110]). It would have been obvious to the ordinary practitioner at the time of
applicant's invention that these possibilities suggest the imposition of a constraint
specifying a minimum value. Such a value would be based on the participant's
assessment that he would be worse off to engage in a transaction below such a
minimum value. Hence it would have been obvious to an ordinary practitioner at the

time of Applicant's invention to have combined the art of Ausubel, Wellman and Hambrecht with that of Macready to be responsive to seller conditions such as a minimum value for a combination of items, motivated by the desire to offer flexibility to all trading partners to locate win-win opportunities for all parties if they exist (Macready, page 2, [0012]-ll. 7-9).

Re. Claim 9, neither Ausubel, Wellman or Hambrecht explicitly disclose or suggest a method wherein the seller conditions (=constraints) specify a minimum value for a combination of a minimum number of items to be sold. See the rejection of claim 8. The ordinary practitioner would have seen it as obvious that minimum values could easily be involved in auctions which involve multiple items and in which the seller(s)'s constraints permit or perhaps even require bidding on a combination of items. See the rejection of claim 10 for an illustration of such circumstances. The selling participant may have an interest in establishing a minimum value in a combination of items in the case of a car parts auction. It would have been obvious to an ordinary practitioner at the time of Applicant's invention to have combined the art of Ausubel, Wellman and Hambrecht with that of Macready to be responsive to seller conditions such as a minimum value for a combination of a minimum number of items to be sold, motivated by the desire to offer flexibility to all trading partners to locate win-win opportunities for all parties if they exist (Macready, page 2, [0012]-ll. 7-9).

Re. Claim 10, neither Ausubel, Wellman or Hambrecht explicitly disclose or suggest a method wherein the seller conditions (=constraints) specify a minimum value for a combination of items correlated to a precedence relationship. However, Ausubel teaches conditions submitted by buyers as a part of their bids. Further, Macready teaches that the auction process cannot proceed until bidder conditions are fulfilled ([00340]-ll. 3-4). Also, Applicant defines precedence constraints as available to both sellers and buyers (page 6, ll. 4-18), simply as a previously established bid or offer, or a previously established condition, which has to be met if a newly submitted condition, bid or offer is to be accepted. An ordinary practitioner would have been familiar with such conditional offers and would have known that the conditional offers can be based on an unlimited number of factors, including previously submitted terms, conditions, offers or

bids. Macready also discloses a method of enabling the auction system so that seller constraints specify a wide range of parameter possibilities. Macready further teaches combinations in offers and combinations of values ([0344] and in claim 64). An ordinary practitioner would have seen that such combinations of values could easily involve bids for multiple items conditioned in whatever manner suits the bidder if two or more items are offered by a seller or even by multiple sellers who are participating in the same auction. For example, in an auction of used car parts (an industry which has become quite sophisticated in the era of personal computers) it would be reasonable for a bidder to establish a bid for a front grill assembly for a certain year/model car conditioned on the preceding bid for the body of the same make/model car which he has determined has a smashed grill. It would have been obvious to an ordinary practitioner at the time of Applicant's invention to have combined the art of Ausubel, Wellman and Hambrecht with that of Macready and the knowledge of the ordinary practitioner to be responsive to seller conditions such as a minimum value for a combination of items correlated to a precedence relationship, motivated by the desire to offer flexibility to all trading partners to locate win-win opportunities for all parties if they exist (Macready, page 2, [0012]-ll. 7-9).

Re. Claim 11, neither Ausubel, Wellman or Hambrecht explicitly disclose or suggest a linear condition (=constraint). However Macready discloses a linear constraint (p. 3, [0036]-l. 8) in a transaction negotiation environment. Therefore, it would have been obvious to an ordinary practitioner at the time of Applicant's invention to have combined the art of Ausubel, Wellman and Hambrecht with that of Macready and well known practices to be responsive to seller conditions such as a minimum value for a combination of items correlated to a precedence relationship, motivated by the desire to offer flexibility to all trading partners to locate win-win opportunities for all parties if they exist (Macready, page 2, [0012]-ll. 7-9).

6.   Claim 25 is rejected under 35 U.S.C. 103(a) as being unpatentable over Ausubel in view of Wellman and Hambrecht as applied to claim 1 above, and further in view of McAfee and Macready

Re. Claim 25, neither Ausubel, Wellman or Hambrecht explicitly disclose a method wherein said area for entering a condition comprises a plurality of areas for entering a plurality of conditions including:

an area for entering a budget condition that specifies that the bidder will win the item only if a total amount of winning bids for said set of items does not exceed a maximum value;

an area for entering a precedence condition that indicates that the bidder will win the item only if the bidder also wins the other item in the set of items;

an area for entering an alternate precedence condition which indicates that the bidder will win the item only if the bidder wins all of the items in the set of items;

an area for entering a maximum quantity condition which specifies that the bidder will win the item only if the bidder wins no more than a maximum quantity of items in the set of items;

an area for entering a minimum quantity condition which specifies that the bidder will win the item only if the bidder wins no less than a minimum quantity of items in the set of items; and

an area for entering a general linear condition which indicates that the bidder will win the item only if a sum of coefficients assigned by the bidder for the set of items is not greater than an upper bound and not less than a lower bound.

However, re. wherein an area for entering a condition comprises a plurality of areas for entering a plurality of conditions (See claim 3, McAffee) including

re. an area for entering a budget condition that specifies that the bidder will win the item only if a total amount of winning bids for said set of items does not exceed a maximum value (See claims 4 & 5, McAffee);

re. an area for entering a precedence condition that indicates that the bidder will win the item only if the bidder also wins the other item in the set of items (See claim 10, Macready);

re. an area for entering an alternate precedence condition which indicates that the bidder will win the item only if the bidder wins all of the items in the set of items (See claim 10, Macready);

re. an area for entering a maximum quantity condition which specifies that the bidder will win the item only if the bidder wins no more than a maximum quantity of items in the set of items (Obvious from Ausubel, Col. 2, ll. 30-50, where bidders are descrived as having differing quantity constraints, which would include maximum (not more than) and minimum quantities (at least);

re. an area for entering a minimum quantity condition which specifies that the bidder will win the item only if the bidder wins no less than a minimum quantity of items in the set of items (Obvious from Ausubel, Col. 2, ll. 30-50, where bidders are descrived as having differing quantity constraints, which would include maximum (not more than) and minimum quantities (at least); and

re. an area for entering a general linear condition which indicates that the bidder will win the item only if a sum of coefficients assigned by the bidder for the set of items is not greater than an upper bound and not less than a lower bound (See claim 11, Macready).

It would have been obvious to an ordinary practitioner at the time of Applicant's invention to have combined the art of Ausubel, Wellman and Hambrecht with that of Macready and McAffee and the knowledge of the ordinary practitioner to be responsive to seller conditions such as a minimum value for a combination of items correlated to a precedence relationship, motivated by the desire to offer flexibility to all trading partners to locate win-win opportunities for all parties if they exist (Macready, page 2, [0012]-ll. 7-9).

7.   **Claims 15 is rejected** under 35 U.S.C. 103(a) as being unpatentable over Ausubel in view of Wellman, McAfee and Macready as applied to claim 14 above, and further in view of AAPA.

Re. Claim 15, none of Ausubel, Wellman, Macafee or Macready explicitly disclose an integer program expressed as

"Max Summation (i,p) of v(i,p) x(i,p)"

where v.(I,p) denotes a monetary value of a bid that bidder p has placed for item i, and, x(i,p) denotes a decision variable having a value of 0 when said bid is not in a winning combination, and 1 when said bid is a winning combination.

However, AAPA discloses that this mathematical expression was well known to an ordinary practitioner at the time of Applicant's invention. Therefore, it would have been obvious to an ordinary practitioner at the time of Applicant's invention to have combined the art of Ausubel with that of Wellman, Macafee, Macready and AAPA to develop computer implemented method for facilitating an auction, motivated by the desire to offer flexibility to all trading partners to locate win-win opportunities for all parties if they exist (Macready, page 2, [0012]-ll. 7-9).

8.   **Claim 20 is rejected** under 35 U.S.C. 103(a) as being unpatentable over Ausubel in view of Wellman, Hambrecht, McAfee, Macready and AAPA.

Re. Claim 20, the disclosures of Ausubel, Wellman, Hambrecht, MaAfee and Macready are cited above in the rejections of claims 1-16 and 19 regarding methods of conducting an auction in an auction system in which plural items are offered for auction by a seller, and plural bidders place bids on said plural items, said method comprising: Ausubel discloses:

- entering in said auction system an offer of a item for bid, said offer including a seller constraint that describes said item (See the rejection of claim 7);.
- entering in said auction system a bid for said item, said bid being entered by a bidder by using said user interface to identify said item, a bid value for said item and a constraint for a set of items including said item (See the rejection of claim 1; re. "a set of items"-see the rejection of claim 14-combination of items.); and

Ausubel does not explicitly disclose use of a web page in an interface. However, MacAfee discloses use of web pages in an auction context (Col. 11, ll. 37-38).

Wellman's disclosure is stated in the rejection of claim 1 above.

Ausubel does not explicitly disclose the following detailed combinations involved in an auction method:

wherein said integer program is expressed by the following:

Max

Z Vi, p Xi, p

i,p

where v;, p denotes a monetary value of a bid that bidder p has placed for item i, and,

x;, p

denotes a decision variable having a value of 0 when said bid is not in a winning combination, and 1 when said bid is a winning combination,

wherein said conditions (=constraints) comprise a budget condition that specifies a total amount that a bidder is willing to pay for an item, a precedence condition that indicates that bidder will win an item of plural items only if said bidder also wins another item of said plural items, an alternate precedence condition which indicates that a bidder will win an item only if said bidder wins all of the items in a precedence set, a quantity condition which specifies one of a maximum quantity and a minimum quantity of items that said bidder will win, and a general linear condition constraint which indicates a coefficient for said plural items and an upper bound and lower bound on a sum of coefficients for said plural items, and wherein said seller condition comprises one of a condition indicating a minimum total amount that seller will accept for plural items, a condition indicating a minimum quantity of items in said plural items to be sold, and a precedence condition indicating that an item will be sold only if another item is sold.

However, Ausubel in combination with MacAfee and Macready disclose the following:

- wherein said user interface displays a space for a bidder to identify plural bidder conditions (=constraints) (Ausubel-Col. 2, ll. 39-41) comprising a budget constraint that specifies a total amount that a bidder is willing to pay for an item (MacAfee-see claims 4 and 5), a precedence constraint that indicates that bidder will win an item of plural items only if said bidder also wins another item of said plural items (Ausubel suggests this in combinatorial bidding – see claim 3, plural

of bidder constraints), an alternate precedence constraint which indicates that a bidder will win an item only if said bidder wins all of the items in a precedence set (this would have been obvious to an ordinary practitioner at the time of Applicant's invention because it is implicit in the various combinations concept of a plurality of constraints), a quantity constraint which specifies one of a maximum quantity and a minimum quantity of items that said bidder will win (See the rejection of claim 6, 8 and 9), and a general linear constraint which indicates a coefficient for said plural items and an upper bound and lower bound on a sum of coefficients for said plural items (see the rejection of claim 11 and claims 6, 8 and 9), and

- wherein said seller constraint comprises one of a constraint indicating a minimum total amount that seller will accept for plural items, a constraint indicating a minimum quantity of items in said plural items to be sold, and a precedence constraint indicating that an item will be sold only if another item is sold (this is implicit in seller constraints – see claim 7, and the rejections of claims 6, 8 and 9 and the prior art of minimum and maximum constraints).

None of Ausubel, Wellman, Hambrecht, MaAfee and Macready explicitly disclose an integer program expressed by the following:

"Max Summation (i,p) of v(i,p) x(i,p)" where v.(I,p) denotes a monetary value of a bid that bidder p has placed for item i, and, x(i,p) denotes a decision variable having a value of 0 when said bid is not in a winning combination, and 1 when said bid is a winning combination. However, AAPA discloses that this mathematical expression was well known to an ordinary practitioner at the time of Applicant's invention.

Therefore, it would have been obvious to an ordinary practitioner at the time of Applicant's invention to have combined the art of Ausubel with that of Wellman, Hambrecht, MacAfee, Macready and AAPA to develop computer implemented method for facilitating an auction, motivated by the desire to offer flexibility to all trading partners to locate win-win opportunities for all parties if they exist (Macready, page 2, [0012]-ll. 7-9).

9. **Claims 13 is rejected** under 35 U.S.C. 103(a) as being unpatentable over
Rodgers et al. (US PreGrant Publication 2002/0026478, hereafter Rodgers).

Re. claim 13, Rodgers does not explicitly disclose a computer program product.
However, a computer program product is in fact a computer readable medium such as a
computer memory, a floppy disk, a compact disk or a computer readabletape. Rodgers
does disclose a computer readable medium which is in fact what a computer program
product is [0011]. The contents of the medium are considered to be "non-functional
descriptive material". Therefore, an ordinary practitioner at the time of Applicant's
invention would have seen it as obvious to have combined the disclosures of Rodgers
with his own knowledge in order to develop a computer readable medium for storing
instructions adapted to be executed by a processor to perform a method of facilitating
asset appraisal, motivated by the desire to provide a computer executable medium for
linked multi-user groups of shared software applications (Rodgers, [0002]).

Response to Arguments

10. Applicant's arguments with respect to claims 1-15, 19 and 20 received on June
24, 2009 have been considered but they are not persuasive.

ARGUMENT A: "Applicant submits that these alleged references are completely
unrelated, and no person of ordinary skill in the art would have considered combining
these disparate references, absent impermissible hindsight.
In fact, Applicant submits that the alleged references provide no motivation or
suggestion to urge the combination as alleged by the Examiner. Indeed, these alleged
references clearly do not teach or suggest their combination. Therefore, Applicant
respectfully submits that one of ordinary skill in the art would not have been so
motivated to combine the alleged references as alleged by the Examiner. Therefore, the
Examiner has failed to make a prima facie case of obviousness." (p. 12, l. 21 – p. 13. l.
1; p. 16, ll. 17-25).

RESPONSE:

1) The Matter of Law

a) Impermissible Hindsight

Applicants may argue that the examiner's conclusion of obviousness is based on improper hindsight reasoning. However, "[a]ny judgement on obviousness is in a sense necessarily a reconstruction based on hindsight reasoning, but so long as it takes into account only knowledge which was within the level of ordinary skill in the art at the time the claimed invention was made and does not include knowledge gleaned only from applicant's disclosure, such a reconstruction is proper." *In re McLaughlin* 443 F.2d 1392, 1395, 170 USPQ 209, 212 (CCPA 1971). Applicants may also argue that the combination of two or more references is "hindsight" because "express" motivation to combine the references is lacking. However, there is no requirement that an "express, written motivation to combine must appear in prior art references before a finding of obviousness." See *Ruiz v. A.B. Chance Co.*, 357 F.3d 1270, 1276, 69 USPQ2d 1686, 1690 (Fed. Cir. 2004). For example, motivation to combine prior art references may exist in the nature of the problem to be solved (*Ruiz* at 1276, 69 USPQ2d at 1690) or the knowledge of one of ordinary skill in the art (*National Steel Car v. Canadian Pacific Railway Ltd.*, 357 F.3d 1319, 1338, 69 USPQ2d 1641, 1656 (Fed. Cir. 2004)). See MPEP § 2143.01 <2100_2143_01.htm> for a discussion of proper motivation to combine references.

b) Motivation to Combine

There is no requirement that a motivation to make the modification be expressly articulated. The test for combining references is what the combination of disclosures taken as a whole would suggest to one of ordinary skill in the art. ***In re McLaughlin*** 443 F.2d 1392, 1395, 170 USPQ 209, 212 (CCPA 1971).

c) The Standard for a *Prima Facie* Case of Obviousness - from KSR

The Court noted that "[t]o facilitate review, this analysis should be made explicit. *Id.* (citing *In re Kahn,* 441 F.3d 977, 988, 78 USPQ2d 1329, 1336 (Fed. Cir. 2006)) ("[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness"). However, "the analysis need not seek out precise teachings directed to the specific subject matter of the challenged claim, for a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ." *Id.* at 1741, 82 USPQ2d at 1396.

d) Traversal Standard

2145 Consideration of Applicant's Rebuttal Arguments [R-3]

I. ARGUMENT DOES NOT REPLACE EVIDENCE WHERE EVIDENCE IS NECESSARY

Attorney argument is not evidence unless it is an admission, in which case, an examiner may use the admission in making a rejection. See MPEP § 2129 <2100_2129.htm> and § 2144.03 <2100_2144_03.htm> for a discussion of admissions as prior art.

The arguments of counsel cannot take the place of evidence in the record. *In re Schulze*, 346 F.2d 600, 602, 145 USPQ 716, 718 (CCPA 1965); *In re Geisler*, 116 F.3d 1465, 43 USPQ2d 1362 (Fed. Cir. 1997) ("An assertion of what seems to follow from common experience is just attorney argument and not the kind of factual evidence that is required to rebut a *prima facie* case of obviousness."). See MPEP § 716.01(c) <0700_716_01_c.htm> for examples of attorney statements which are not evidence and which must be supported by an appropriate affidavit or declaration.

2) IN THE INSTANT CASE

Applicant has failed to meet the standards of traversal of the *prima facie* case of obviousness made by the examiner in the rejections. Instead, Applicant has merely made numerous assertions without presenting a combination of evidence and rationale to put the examiner's *prima facie* case of obviousness into serious question.

ARGUMENT B: "Applicant would point out that **this feature is clearly not capable of instant**

and unquestionable demonstration as bein~ well-known, and therefore, it is no__At **appropriate** for the Examiner to attempt to take "Official Notice" of these alleged facts (e.g., see MPEP §2144.03). Further, the Examiner **must provide Applicant with the explicit basis** on which the Examiner regards the matter as subject to Official Notice. Moreover, Applicant would point out to the Examiner that in response to Applicant's traversal of the Examiner's assertion of such "Official Notice", **the Examiner must provide documentary evidence in the next Office action if the re[ection is to be maintained.**" (p. 19, ll. 3-10).

RESPONSE:

The record contains the office action mailed on November 11, 2009 which states the twin rules established by case law regarding Applicant's traversal requirements in the case of Official Notice. Applicant's failure to properly traverse the Official Notice in the next immediate formal response is why the subjects of Official Notice are now Applicant Admitted Prior Art (AAPA).

Conclusion

11. Any inquiry concerning this communication or earlier communications from the Examiner should be directed to Siegfried Chencinski whose telephone number is (571)272-6792. The Examiner can normally be reached Monday through Friday, 9am to 6pm. If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, Charles Kyle, can be reached on (571) 272-6746.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Any response to this action should be mailed to:

Commissioner of Patents and Trademarks, Washington D.C. 20231

or faxed to:

(571)273-8300   [Official communications; including After Final communications
                labeled "Box AF"]

(571) 273-6792   [Informal/Draft communications, labeled "PROPOSED" or
                "DRAFT"]

Hand delivered responses should be brought to the address found on the above USPTO web site in Alexandria, VA.

SEC

Art Unit 3695

March 24, 2010

/Narayanswamy Subramanian/
Primary Examiner, Art Unit 3695